

# Building Electrification CEF BELECTRIC 2022 Q&A

Submit all question to the RFA Coordinator at <a href="mailto:cef@commerce.wa.gov">cef@commerce.wa.gov</a>. Commerce will post answers weekly through 12/23/2022. Questions must be submitted by 12/19/2022

# Week 1: Questions received through 10/21/2022:

- 1. Q: I am wondering if these grants cover the cost of solar panels, specifically, if awarded?
  A: Yes, grant funds may cover the cost of on-site solar panels, but they must be installed as part of the scope of work for a Track 1 or Track 2 project. As stated in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK "Energy efficiency measures or on-site renewable energy systems that are not installed as part of the minimum scope of work for the corresponding application Track" are ineligible activities.
- Q: What's the definition of commercial building?
   A: For the purpose of this solicitation commercial buildings are structures, or portions thereof, not regulated by the International Residential Code, and not meeting the definition of "Multifamily Building" as defined in RFA Section 1.7 DEFINITIONS.
- 3. **Q: Is a public university (ex: Eastern Washington University) eligible for this funding? A:** Yes, public institutions of higher education are considered a State Government entity and for the purpose of this program may be the primary eligible applicant. For the purpose of this program, a public university is defined as any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof, as defined in RCW 28B.92.030(4)(a).
- 4. Q: I just wanted to know if renewable energy projects such as solar are reasonable projects to submit for on this RFA?
  - A: Please see the response to BELECTRIC Q&A Question 1, above. Grant funds may be used for on-site renewable energy systems and components, but they must be installed as part of the minimum scope of work for a Track 1 or Track 2 project. Please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK for further information.
- 5. Q: What kind of improvements are you looking for? What kinds of improvements would be covered, etc.?
  - **A:** Grants will be awarded to projects that complete the minimum scope of work for one of two project Tracks. Track 1 projects must at a minimum install grid-interactive control systems that allow building

or electric grid operators to reduce, shift, or modulate building energy use in new or existing buildings. Track 2 projects must install high-efficiency electric heat pumps or other electric equipment to replace or reduce the use of existing fossil fuel, or inefficient electric, equipment or systems in existing buildings. For further detail on eligible expenditures under each track, please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK.

- 6. Q: Are higher ed institutions (like WSU) eligible for these grants?
  - **A:** Please see the response to BELECTRIC Q&A Question 3. Public institutions of higher education are considered eligible State Government entities and for the purposes of this program may be the primary eligible applicant.
- 7. Q: Colleges and vocational institutions are not mentioned, are they eligible to apply?

  A: Please see the response to BELECTRIC Q&A Question 3. Public institutions of higher education are considered eligible State Government entities and for the purposes of this program may be the primary eligible applicant.
- 8. Q: Does the period performance mean that work must only be performed during these dates? In other words, can we request reimbursement for work that has been performed before this date with this grant?
  - A: Yes, generally, project work must be performed during the period of performance negotiated in the contract with Commerce. However, Commerce may allow costs from the date of the award letter onward to be reimbursed. Costs must be directly attributable to the grant, and must comply with Commerce's standards as detailed in RFA EXHIBIT E: CONTRACT FORMAT WITH GENERAL TERMS AND CONDITIONS.
- 9. Q: How many applications you anticipate receiving and any additional information you may be able to provide regarding competitiveness?
  - **A:** Commerce is unable to anticipate the number of applications we will receive for this solicitation, but we anticipate making between 10 and 30 awards if we receive a sufficient number of eligible applications.
- 10. Q: Our clients' buildings are located in highly impacted communities as defined by the requirements and their ranking on the Washington State Department of Health's Environmental Health Disparities tool. However, the buildings we have identified that require funding to improve energy efficiency are commercial office buildings and we wanted to check and make sure that electrification projects for these types of buildings would be considered as we are aware there is a focus on low-income/affordable housing. Additionally, it would be useful to know whether this fact will negatively impact the ability to receive grant funds if these buildings are indeed eligible.
  - **A:** Projects do not need to serve Priority Communities, Tribal Communities, and Low-Income households to be eligible to apply. However, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation. Please refer RFA Section 4.2 EVALUATION BREAKDOWN for a further details on point distribution.

# 11. Q: Can someone come out to my building and warehouse and see if we qualify for an application for my business (building owner) and my tenant?

A: Commerce is unable to provide project specific guidance to interested potential applicants. To determine if you are an eligible applicant and if your project may qualify, please refer to RFA Sections 1.2 - 1.3.

# Week 2: Questions received through 10/28/2022

12. Q: Can you confirm that higher education institutions will qualify for these grants?

**A:** Please see the response to BELECTRIC Q&A Question 3. Public institutions of higher education are considered eligible State Government entities and for the purposes of this program may be the primary eligible applicant.

### 13. Q: What does it mean to be grid-interactive?

A: For the purpose of this program, a grid-interactive building is defined as an energy-efficient building that uses smart technologies and on-site distributed energy resources (DERs) to provide demand flexibility while co-optimizing for energy cost, grid services, and occupant needs and preferences in, a continuous and integrated way. Please refer to RFA Section 1.7 DEFINITIONS.

#### 14. Q: Could you elaborate on the "reduce GHG emissions" prioritization by Commerce?

**A:** In order to align with state emissions reduction mandates, Commerce is prioritizing projects that reduce greenhouse gas emissions (GHG) as demonstrated by measuring a cost per ton of GHG emissions reduction basis. As part of EXHBIT D: PROJECT SITE INFORMATION, applicants must provide utility GHG emissions data for each project site based on COMMERCE 2020 Utility Emissions Report, and applicants have an additional opportunity in the application to provide GHG emissions reduction calculations. Commerce may provide clarification as to meaning and other factors affecting scoring as it relates to the prioritization.

15. Q: Are on-site renewable energy systems eligible in and of themselves, without any other electrical upgrades or improvements done to the building?

A: Please see the response to BELECTRIC Q&A Question 1, above. Grant funds may be used for on-site solar energy systems and components, but they must be installed as part of the minimum scope of work for a Track 1 or Track 2 project. Please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK for further information.

16. Q: How do we demonstrate that the rent increase was not due to the program?

A: For the purpose of the application, potential applicants are only asked to agree to not increase rents due to improvements funded by this program. If the applicant is selected as an Apparent Successful Grantee, Commerce will determine at the time of contract negotiation what forms of documentation Commerce will accept from the Apparent Successful Grantee to demonstrate that rent increases were not due to improvements funded by the program.

17. Q: Does a dormitory meet the definition of Multifamily Residential Building? What about campus apartments?

A: For the purpose of this program, a dormitory or campus apartment would meet the definition of a

commercial building, and would be eligible building types. Pease see the response to BELECTRIC Q&A Question 2, above.

# 18. Q: For new construction buildings, do we need to have building permit in hand prior to the application deadline January 2023?

**A:** RFA Section 1.3 MINIMUM QUALIFICATIONS states that a new construction building is defined as a building or facility authorized to be built by the permitting jurisdiction by the application deadline. The applicant must have an approved building permit, or other form of approved authorization to construct the building, from the permitting jurisdiction by the application deadline.

#### 19. Q: Several College buildings, doesn't meet the qualifications?

**A:** RFA Section 1.3 MINIMUM QUALIFICATIONS states that "projects must be located at one or more new or existing buildings owned or leased by an eligible applicant". If the eligible applicant owns or leases several college buildings, the project would likely qualify.

#### 20. Q: Does a building owned by a transit agency qualify as a commercial building?

A: Please see the response to BELECTRIC Q&A Question 2, above. For the purpose of this solicitation commercial buildings are structures, or portions thereof, not regulated by the International Residential Code, and not meeting the definition of "Multifamily Building" as defined in RFA Section 1.7 DEFINITIONS.

#### 21. Q: Would district energy to new buildings be eligible? Or to existing buildings?

A: Projects for district energy systems would be eligible, as long as they meet the minimum scope of work for a Track 1 or Track 2 project, and are serving eligible building types. Please refer to RFA Sections 1.2 and 1.3.

#### 22. Q: Can match be in kind? (i.e. donated electrician hours)

**A:** For the purposes of BELECTRIC 2022, eligible applicants must provide cash match from other, non-state sources.

# 23. Q: Our company leases the building owned by the city. If the city applies for a Commerce grant can our company apply?

A: Yes, the company may still apply to BELECTRIC 2022 if the city that owns the building is not applying to perform work on the same building that the company leases.

# 24. Q: Can you give an example of how only 25% of a project would qualify for match? The percentage breakdowns are not clear.

A: Reduced match requirements are based on the percentage of total project costs that are dedicated to reducing energy burden for priority communities. For example, if a project successfully applied for \$1 million, and \$250,000 was dedicated to a portion, or units, of the building dedicated to serving priority communities, then 25 percent of total project costs would be considered dedicated to reducing energy burdens for priority communities. Based on the table in RFA Section 1.4 FUNDING, if the applicant would normally qualify for a 1:3 match ratio, because they dedicated 25 percent of total project costs to energy burden reduction, the applicant would now be eligible for a reduced 1:4 match ratio.

25. Q: Are there any specific requirements or recommendations in terms of pricing, energy savings, or reduction of emissions? Is there a specific amount of kilowatt-hours (kWh) or ton of GHG emissions that Commerce wants reduced?

A: Commerce does not have an established target amount of kilowatt-hours (kWh) or greenhouse gas (GHG) emissions reductions that a project must meet. However, Commerce is prioritizing projects that reduce the maximum energy use and GHG emissions demonstrated on a cost per ton of GHG emissions reduction basis, and applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.

26. Q: Could you elaborate on the definition of "energy burden reduction"? I only see "burden" language in the RFA in reference to low-income/priority communities. Could you give examples of how that might be demonstrated/quantified for an RFA?

A: For the purpose of this program energy burden reduction is defined as reducing the share of annual household income used to pay annual home energy bills. Energy burden reduction can be demonstrated through direct reductions of energy bills for priority communities, or other initiatives that provide benefits to priority communities that can be directly associated with energy cost savings from the electrification project.

27. Q: Can the grant be awarded retroactively for projects in development?

A: Please see the response to BELECTRIC Q&A Question 8, above. Commerce may allow costs from the date of the award letter onward to be reimbursed. Costs must be directly attributable to the grant, and must comply with Commerce's standards as detailed in RFA EXHIBIT E: CONTRACT FORMAT WITH GENERAL TERMS AND CONDITIONS.

28. Q: Please say more about the "equity scale" that you mentioned? If an area does not score 9 or 10 is the project still considered?

A: The <u>Washington State Department of Health's Environmental Health Disparities (EHD) tool</u> is an interactive mapping tool that compares communities across Washington for environmental health disparities. Commerce uses the EHD tool to provide insight into where public investments can be prioritized. Projects are not required to be located in highly impacted communities, defined as any census tract with 9 or 10 overall rank on the EHD tool. However, Commerce is prioritizing projects located in highly impacted communities, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.

29. Q: What if our energy study and/or design - and therefore GHG and energy burden figures - are not finalized by application due date? Can we apply based on a "best guess"? Would details be worked out later?

A: Eligible applicants are still encouraged to apply if their energy study or design figures are not finalized by the application due date, but applicants should attempt to provide as approximate of figures as possible. If the applicant is chosen as an Apparent Successful Grantee, and at the time of contract negotiation it is determined that the scope of work for the project would significantly differ from the application, Commerce may rescore the application based on the new information, which may result in a change to the award amount or match requirements for the project.

30. Q: Is it possible to start before June 30th, based on contracting process? Or is it possible for costs to be recovered from outside the period of performance?

A: Please see the response to BELECTRIC Q&A Question 8, above. Commerce may allow costs from the date of the award letter onward to be reimbursed. Costs must be directly attributable to the grant, and must comply with Commerce's standards as detailed in RFA EXHIBIT E: CONTRACT FORMAT WITH GENERAL TERMS AND CONDITIONS.

- 31. Q: Would 100% of appliances in a building need to be replaced and electrified for grant eligibility?

  A: No, as stated in RFA Section 1.3 MINIMUM QUALIFICATIONS, "projects must be located at, and include at least 50 percent of total units or gross square footage of, one or more new or existing buildings". However, Commerce is prioritizing projects that reduce the maximum energy use and GHG emissions demonstrated on a cost per ton of GHG emissions reduction basis, and applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
- 32. Q: If you have a project to reduce greenhouse gas emissions by installing heat recovery chiller in a large building, but it's only in design, can you submit an application or does it have to have a contractor proposal already completed?

A: Please see the response to BELECTRIC Q&A Question 29, above. Eligible applicants are still encouraged to apply if their project proposal is not finalized, but applicants should attempt to provide as approximate of figures as possible. Commerce may rescore the application if it is determined that the scope of work for the project would significantly differ from the application, which may result in a change to the award amount or match requirements.

33. Q: What type of innovation would Commerce look upon favorably?

**A:** Commerce cannot recommend specific technology or policy innovations. For the purpose of this program, innovations should be commercially viable technology and meet the minimum scope of work for a Track 1 or Track 2 project.

34. Q: Are 'critical home repair' programs that assist low-income homeowners to upgrade to heat pumps (for example) eligible?

A: Yes, a "critical home repair" program would be eligible, as long as the work being performed conforms to the minimum scope of work for a Track 1 or Track 2 project, and the applicant meets the minimum qualifications defined in RFA Section 1.3 MINIMUM QUALIFICATIONS.

35. Q: So the installation of solar panels on a commercial building to reduce electrical use would not be eligible?

**A:** Please see the response to BELECTRIC Q&A Question 1, above. Grant funds may be used for on-site solar energy systems and components, but they must be installed as part of the minimum scope of work for a Track 1 or Track 2 project. Please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK for further information.

36. Q: Can you verify "inefficient electric equipment and systems to high-efficiency electric heat pumps, and other electric equipment and systems" - i.e. is electric resistance heating (100% efficiency) to high

efficiency heat pump a valid example of this? And fluorescent to LED lighting as an example of allowable measures if they do or do not accompany higher impact measures?

A: Yes, projects such as these would likely qualify under the Track 2 minimum scope of work. For the purpose of this program, there must be demonstrable efficiency gain from the old equipment to the new equipment for the old equipment to be considered inefficient. Please note, Commerce is prioritizing project that reduce the maximum energy use and greenhouse gas (GHG) emissions, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.

### 37. Q: Could a grouping of single-family houses qualify?

**A:** Yes, a group of single-family houses could qualify if all the buildings are owned by the eligible applicant, or the buildings will be served by a program administered by the eligible applicant.

- 38. Q: With climate change, the river flow and amount of water that BPA can use to generate power may decrease. The Okanogan PUD buys most of its power from BPA right now. But climate change may decrease BPA power generation. It seems like the point allocation to the local power provider is biased towards sources that don't use BPA. Since grids balance power, isn't this an unfair point allocation?

  A: In order to align with state emissions reduction mandates, Commerce is prioritizing projects that reduce greenhouse gas emissions (GHG) as demonstrated by measuring a cost per ton of GHG emissions reduction basis. While retail electric utilities that use primarily hydro power from BPA may not have the same opportunity for GHG emissions reductions through energy use reductions, projects can also reduce GHG emissions through the reduction or elimination of high global warming potential (GWP) refrigerants. The applicant has an opportunity in the application to provide GHG emissions reductions calculations for their proposed project. Commerce may provide clarification as to meaning and other factors affecting scoring.
- 39. Q: Are the slides from this presentation available online?

**A:** Yes, Commerce anticipates making the slides and recording from the Bidder's Conference available on the program webpage within 2-3 business days of the conclusion of the webinar.

- 40. Q: The 120 points from the equity & energy burden category appears to only apply to multifamily/low-income/affordable housing type buildings (i.e. buildings where people live) due to the definition of energy burden per the RFA. Can other commercial buildings (e.g. K-12, office, etc.) access these points, or are they limited to a maximum of 190 points (310-120)?
  - **A:** All eligible building types, as defined in RFA Section 1.3 MINIMUM QUALIFICATIONS, will be evaluated on the same criteria and all points will be available to all eligible applicants.
- 41. Q: For a project that is fuel switching significant gas loads to electric, this could trigger requiring that the back-up generator capacity be increased to handle the added electrical load. Would the generator upgrade costs qualify?

**A:** Electrical upgrades required for the installation of electric equipment is an eligible, reimbursable expenditure, as stated in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK this would include any back-up generation or storage capacity, as long as the installed back-up equipment is all-electric.

- 42. Q: When you discussed eligible applicants you mentioned that universities counted under state agencies. Does this include community colleges?
  - A: Please see the response to BELECTRIC Q&A Question 3. For the purpose of this program, a public university is defined as any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof, as defined in <a href="RCW 28B.92.030(4)(a)">RCW 28B.92.030(4)(a)</a>
- 43. Q: We just received a Building Communities grant from the Dept. of Commerce. Will this prevent us from receiving funding from this opportunity?
  - A: Receiving another grant from the Department of Commerce does not disqualify a potential eligible applicant from receiving funding from the CEF BELECTRIC 2022 solicitation. Please note, however, that funding from other state sources may not be used as match funds for this solicitation. Please see RFA Section 1.4 FUNDING for further information.
- 44. Q: We have borrowed \$20,000,000 towards the project and are trying to secure the rest through community support. Can the funding we borrowed be used for the match?
  A: Yes, borrowed funds are considered a non-state source of funding, and may be used as match funds as required in RFA Section 1.4 FUNDING.
- 45. Q: The RFA says that match dollars need to come from "non-state" sources. Are funds that are held by a state agency but didn't originate from the state (i.e. public use fees or self-support program income) eligible to use as match?
  - A: Commerce considers any funds that did not originate as an appropriation from the State Legislature to be non-state funds, and therefore eligible for match. Based on this definition, some sources of funds held by state agencies, but that didn't originate from the state may be eligible to use as match. These sources may include, but are not limited to: the Lease/Purchase Program through the Washington State Treasurer, student fees, revenue from the sale of bonds, revenue from special levies, and utility incentives. Commerce may provide additional clarification as to eligible non-state sources of match. Correction issued 11/4/2022: Based on guidance from the Washington State Office of Financial Management, Certificates of Participation (COPs) through the Office of the State Treasurer Lease/Purchase Program, are considered state funds, and would not be eligible for non-state match for this program. Local governments may utilize COPs for non-state match, if COP payments are made from the Local government's own revenues.
- 46. Q: I see that this grant zeros in on low income housing and commercial properties. I do not know if we qualify for either with our governmental office building. Who can I talk to that may direct us to the appropriate grant application to update and modernize our building with efficient heating and cooling options?
  - A: Please see the response to BELECTRIC Q&A Question 10, above. Projects do not need to serve Priority Communities, Tribal Communities, and Low-Income households to be eligible to apply. However, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
  - Multifamily residential and commercial buildings are eligible building types. Please refer to RFA Section 1.3 MINIMUM QUALIFICATIONS for further details.

The RFA Coordinator is the sole point of contact in Commerce for this procurement. All guestions must

be submitted in writing to <a href="mailto:cef@commerce.wa.gov">cef@commerce.wa.gov</a>. Commerce anticipates answering all questions on a weekly basis in a public Q&A document posted to the program webpage. For additional information, applicants are encouraged to attend the scheduled pre-application conference, or they can view the available recordings and slides posted to the program webpage.

# Week 3: Questions received through 11/04/2022

47. Q: Are the grants awarded first-come-first-serve or will all applications be reviewed after the January 9<sup>th</sup> due date?

**A:** Commerce will review all applications following the January 9, 2023 due date. Please see RFA Section 2.2 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES for the approximate dates of application evaluation, and RFA Section 4 EVALUATION AND CONTRACT AWARD for details on the evaluation procedure.

48. Q: Is Commerce no longer using Zoom Grants?

A: For this program, Commerce is not using Zoom Grants. All applications must be submitted via email to the RFA Coordinator at <a href="mailto:cef@commerce.wa.gov">cef@commerce.wa.gov</a> by 4 p.m. on January 9, 2023.

49. Q: Are commercial buildings that are owned by a city for recreational activities (2 acre indoor soccer, day use, and ice arena) eligible for this grant? We are a high needs community. I wasn't sure if this grant was only for residential buildings.

**A:** Commercial buildings are eligible building types, and Local Government building owners or tenants, including Cities, are eligible applicant types. Please see RFA Section 1.3 MINIMUM QUALIFICATIONS for details on project and applicant eligibility.

50. Q: Is the Match ratio scored or is it only a minimum requirement?

**A:** Applicants must have minimum match funding from other, non-state sources for eligible project costs. Match ratio is not scored.

51. Q: How are "project costs dedicated to energy burden reduction" defined?

A: Please see the response to BELECTRIC2022 Q&A Question 26, above, for a definition of energy burden reduction. Project costs dedicated to energy burden reduction can be defined as the total dollar amount of project costs that are spent on the scope of work for a Track 1 or Track 2 project that can directly be attributed to reduced energy bills for Priority Communities, low-income/affordable housing, Low-Income Households, or organization or businesses serving the aforementioned populations. Applicants may use the building size as a proxy to demonstrate the percent of project costs dedicated to energy burden reduction.

52. Q: Is there a teaming partners list to identify other entities who may be considering and interested in partnering for this funding opportunity?

**A:** For this program, Commerce does not request that interested applicants submit a Letter of Interest, and is unable to provide a list of interested potential applicants, nor does Commerce maintain a list of entities who may be eligible for partnerships for this funding opportunity.

- 53. Q: Could you talk a little more about the workforce development requirement? I'm working with a small nonprofit that owns rental properties for priority communities (low income, D/D). They plan to contract with small local OMWBE contractors but don't necessarily have the capacity for a workforce development program.
  - **A:** As stated in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK, projects must commit to providing workforce development opportunities beyond existing requirements. This can include, but is not limited to partnerships with workforce training programs, apprenticeships, or commitments to employ underrepresented groups. Applicants have the opportunity to describe the type of workforce development commitments they are seeking to provide. Commerce may provide clarification as to meaning and other factors affecting scoring.
- 54. Q: Is this grant anticipated to come up again in later years? Annually? Biannually?

  A: The funding included under this solicitation is what is available under this program. Commerce cannot not determine if the State Legislature will appropriate future funds to the program.
- 55. Q: Does change of use of an existing building during a renovation have an effect on the track? AKA If a building is being renovated and part of the use is changing (say from previous 100 % commercial to 75% Commercial and 25% new residential), would this be a track 1 or track 2 situation?
  A: The application Track is not determined by the building type. As stated in RFA Section 1.3 MINIMUM QUALIFICATIONS, projects, regardless of Track, must be located at, or must administer a program that serves multiple retail electric utility customers, at one or more new or existing single-family, multifamily, or commercial buildings.
- 56. Q: Would installing a new HVAC unit in a school building qualify for the grant?
  A: A project to install a new HVAC unit would likely qualify if the project meets the minimum scope of work for a Track 1 or Track 2 project. Please note, Commerce is prioritizing projects that reduce the maximum energy use and greenhouse gas (GHG) emissions, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
- 57. Q: Is the non-state match wording in place due to Leg proviso language? Or does this requirement come from somewhere else?
  - A: <u>Section 1064 (12) of Substitute House Bill 1080</u> authorizing this funding does not require non-state match. In order to better leverage state funds, Commerce requires that potential applicants provide non-state sources of funding.
- 58. Q: For new projects in Track 1, does "grid-interactive" require feeding energy back to the grid or participation in district energy somehow? Or, can the project qualify by adopting energy reduction measures plus generating onsite PV without some sort of district approach?
  A: Track 1 projects are not required to feed energy back to the grid or participate in district energy. Energy reduction measures and onsite distributed energy resources may qualify as long as they are installed as part of the scope of work for a Track 1 or Track 2 project, as stated in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK.

# 59. Q: We are funding a majority of our project through bonds. Can this be used as a match? A: Please see the response to BELECTRIC Q&A Question 45. Based on guidance from the Washington

State Office of Financial Management, the revenue from the sale of bonds may be eligible to use as non-state match.

# 60. Q: Are any Washington gas utilities or municipalities considering district geothermal? Would those projects be eligible?

A: For this program, Commerce does not request that interested applicants submit a Letter of Interest, and is unable to provide a list of interested potential applicants. District geothermal energy may be eligible if the project meets the minimum scope of work for a Track 1 or Track 2 project, and serves eligible building types. Please refer to RFA Sections 1.2 and 1.3.

#### 61. Q: For the Bonds, has OFM been checked with on this?

A: Please see the response to BELECTRIC Q&A Question 45. Based on guidance from the Washington State Office of Financial Management, the revenue from the sale of bonds may be eligible to use as non-state match. Certificates of Participation (COPs) through the Office of the State Treasurer (OST), are considered state funds, and would not be eligible as non-state match. Commerce may provide clarification as to eligible sources of non-state match.

### 62. Q: If a project has already begun, can you still qualify for the grant?

A: Please see the response to BELECTRIC Q&A Question 8, above. Commerce may allow costs from the date of the award letter onward to be reimbursed. Costs must be directly attributable to the grant, and must comply with Commerce's standards as detailed in RFA EXHIBIT E: CONTRACT FORMAT WITH GENERAL TERMS AND CONDITIONS.

63. Q: We have a large project to install HVAC at an existing building. We have another grant in place for phase 1. Can I still apply for phase 2 of the project?

**A:** Yes, an application can still be submitted for Phase 2 of the project. Commerce may allow costs from the date of the award letter onward to be reimbursed. Costs for Phase 2 must be directly attributable to the grant provided under this program.

64. Q: Can future federal funding (Inflation Reduction Act) be used as matching funds for this? How do you think the timing will line up for that? Do federal funds have to be received in order to count toward a match?

A: Federal funding that is not allocated or awarded through the Washington State Legislature or any Agency of the State of Washington may be used as matching funds for this program. Commerce is unable to determine the timing of federal funding, and cannot make a recommendation for the use of federal funding as match for this program. RFA Section 1.4 FUNDING states that applicant match funds do not need to be secured prior to application, but must be secured before the contract is executed.

65. Q: Can colleges utilize a campus EUI target similar to K-12 school campus EUI targets?

A: This program does not utilize an energy use intensity (EUI) target to determine project eligibility. If the project is selected as an Apparent Successful Grantee, the project will need to comply with all

- applicable federal, state, and local laws and requirements, including with Commerce, which includes the Washington Clean Buildings Performance Standard.
- 66. Q: You stated it was not a requirement but a priority and that a solid workforce development plan might help an application score higher.
  - In the RFA it states "Projects must commit to providing workforce development opportunities beyond existing requirements, such as partnerships with workforce training programs, apprenticeships, or commitments to employ underrepresented groups during the period of performance."
  - **A:** The statement in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK is correct, projects must commit to providing workforce development opportunities beyond existing requirements. The answer given in the Bidder's Conference on November 1, 2022 was misspoken.
- 67. Q: We are interested in applying for the Building Electrification grant. We have a few ideas for projects and wonder if you could help us determine which is the best fit for this program: Switching out a middle or high school building to LED lighting; removing a gas heating system and replacing it with an electric heat pump in our facilities and operations building.
  - A: Please see the response to BELECTRIC Q&A Question 11, above. Commerce is unable to provide project specific guidance to interested potential applicants. To determine if you project would qualify, or meet the policy priorities of the program, please refer to RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK.

# Week 4: Questions received through 11/11/2022

- 68. Q: Can you tell me if the \$9.7 million from the Clean Energy Fund Building Electrification grant program is available for governments?
  - **A:** As stated in RFA Section 1.3 MINIMUM QUALIFICATIONS, State and Local Governments may be the primary eligible Applicant.
- 69. Q: I represent a registered non-profit in the State of Washington with its own UBI, EIN, and UEI numbers. However, my non-profit is subordinate to a statewide non-profit, and does not have the 501c3 status. Can my non-profit apply without having the 501c3 status?
  - A: According to the Internal Revenue Service (IRS) Internal Revenue Manual (IRM) 4.75.24

    Organizations Covered by a Group Ruling, "The central organization that holds a group exemption determines which organizations are included as subordinates under its group exemption ruling. A subordinate may consist of a: Chapter, Local, Post, or Unit of a central organization." As long as the subordinate non-profit is licensed to do business in the State of Washington as a non-profit, and meets the criteria set forth by the IRS, then the subordinate non-profit does not need to hold its own 501(c)(3) status to qualify as an eligible non-profit.
- 70. Q: I wanted to reach out and see if it would be possible to fund a project that focused on a new electrical switchgear and surge protection?
  - **A:** An electrical switch gear and surge protection equipment and systems may be eligible expenses if installed as part of the minimum scope of work for a Track 1 or Track 2 project. To determine if your project would qualify, or meet the policy priorities of the program, please refer to RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK.

- 71. Q: In the Track 2 application form, the attachment entitled BUILDING OWNER LETTER OF SUPPORT states that "The Applicant does not need to submit a Letter(s) if the Applicant is the legal owner of the building(s) where the project will be performed."
  - Does that mean no documentation is required to show ownership of the building? We have a deed for the land, but the county records office does not show a deed for the building. Is the deed for the land sufficient if you do require documentation of ownership?
  - A: For the purpose of the application, potential applicants are not required to submit documentation demonstrating ownership of the building. If the applicant is selected as an Apparent Successful Grantee, Commerce will request at the time of contract negotiation documentation demonstrating ownership of the building. A deed for the land may sufficiently demonstrate ownership of the building if there are no records for ownership of the building. However, Commerce recommends that the applicant have documentation demonstrating ownership of the building by the beginning of the performance period.
- 72. Q: The RFA states (under Project Qualifications) that "An existing building is defined as a building or facility that has a certificate of occupancy issued by the application deadline". Do you require submission of a certificate of occupancy?
  - **A:** For the purpose of the application, potential applicants are not required to submit a certificate of occupancy as part of the application materials. If the applicant is selected as an Apparent Successful Grantee, Commerce will request at the time of contract negotiation a certificate of occupancy.
- 73. Q: I am still unclear on what "workforce development opportunities" means and if it is a requirement for the grant. In the bidder conference 2 recording at 35:20, I believe the presenter said, "Workforce Development is not a requirement; it's a priority." Can you confirm whether there must be workforce development component/plan in order to be awarded a grant? Also, if this is a requirement, are there minimums that need to be met such as apprenticeships/training must be offered during the period of the grant, beyond the period of the grant, serving X number of individuals, etc.
  A: Please see the response to BELECTRIC Q&A Question 66, above. The statement in RFA Section 1.2
  - A: Please see the response to BELECTRIC Q&A Question 66, above. The statement in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK is correct, projects must commit to providing workforce development opportunities beyond existing requirements. The answer given in the Bidder's Conference on November 1, 2022 was misspoken. In order to encourage innovative approaches to deploying and increasing access to building electrification, there are no stated prescribed approaches or minimums that applicants need to meet. Workforce development opportunities may include partnerships with workforce training programs, apprenticeships, or commitments to employ underrepresented groups during the period of performance. Please note, Commerce is prioritizing projects that ensure an equitable transition to clean energy, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
- 74. Q: Has the Building EV grant been offered before this year? If so, is there a list of awardees, award amounts, applicants, narratives, etc.?
  - **A:** This is the first solicitation of the Clean Energy Fund Building Electrification Grant Program. The Program was funded as part of Clean Energy Transition 5 in the 2021 Legislative Session enacted in section 1064 (12) of Substitute House Bill 1080.

- 75. Q: Does Commerce have a template to use for tenants being able to opt out or mitigate with the new systems and anticipated increased costs? We want to be sure whatever we provide Commerce for this component meets the need.
  - A: Commerce does not have a template for potential applicants to use. For the purpose of the application, potential applicants are not required to submit the documentation that will be provided to tenants as part of the application materials. If the applicant is selected as an Apparent Successful Grantee, Commerce will request at the time of contract negotiation the documentation that the Applicant will provide to tenants giving them the opportunity to opt out or receive mitigation for any anticipated increases in energy costs from the project.
- 76. Q: RE: Section 6 in Track 2 application: "Identification of Costs: Identify all costs in U.S. dollars including expenses to be charged for performing the services necessary to accomplish the objectives of the grant project."
  - If subcontractors are supplying all equipment and materials, do we need to ask them to break out equipment costs from their salary-related installation costs? Quotes are typically given as combined equipment plus installation, which includes subcontractor employee salaries. The additional statement that "Costs for subcontractors are to be broken out separately" seems to indicate that the subcontractor quotes do not need to be split into equipment and salaries. Is it correct that only the combined equipment plus installation cost per subcontractor be entered in the box: "Contractor/Consultant Services Salaries & Benefits"?

A: Applicants should as much as possible identify costs in the provided categories in Section 6 of the application form. Costs for subcontractors may be entered into the "Contractor/Consultant Services Salaries & Benefits" category. If the Applicant is unable to separate costs, they may enter the combined costs into a category that best identifies the cost, and use Question #6.04 Budget Narrative to explain the identified costs.

- 77. Q: If the whole project is to provide both heating from a heat pump AND clean air from an independent system, should Section 6 report costs only for the heat pump, since the air cleaning system would be part of total project costs but not part of the Dept. of Commerce allowable costs?
  A: Applicants must report the total project costs in Section 6. The total project costs should equal the requested grant funding plus pledged applicant match.
- 78. Q: I was wondering if natural gas power boilers would be covered in this program? We have two boilers in our building that as used to heat the hydronic closed loop system that serves all residents heat pumps in the building.
  - **A:** Fossil fuel equipment and systems are ineligible expenses under both Tracks of this program.
- 79. Q: On Track 2's Application, question 1.13 asks "If the Applicant or any subcontractor contracted with the state of Washington during the past 24 months, indicate the name of the agency, the contract number and project description and/or other information available to identify the contract." For this question, what kind/s of contracts should be listed? Grants, using various state department services, such as the Department of Enterprise Services, etc.
  - **A:** Applicants should provide any and all contracts that the Applicant or any subcontractor has had with the State of Washington during the past 24 months.

# Week 5: Questions received through 11/17/2022

- 80. **Q: I have a question regarding 1.13 on the application. Does this apply to a DES contract, IGA or ESP? A:** Yes, Applicants must list if the Applicant or any subcontractors have contracted with the State of Washington during the last 24 months.
- 81. Q: With question 1.14 does that also apply to any staff members on an ESCO or contractor even if they are not associated with the project being applied for?
  - A: No, if the staff member works for an Environmental Service Company (ESCO) or contractor that is not associated with the project, the Applicant is not required to list the staff member. Applicants must list any subcontractor's staff, or members of the subcontractor's governing board, if the subcontractor is serving on the project.
- 82. Q: Q&A #29 refers to an "energy study" however this is not defined or referenced in the RFA. Can you please elaborate what an energy study entails? I'm familiar with Commerce's energy efficiency grants which typically require an ASHRAE Level II energy audit, but it doesn't look like the electrification grant requires that level of effort.
  - A: BELECTRIC Q&A Question 29 could be referring to the design specifications of the project that the potential eligible applicant is intending to use as a basis for their application, specifically as it relates to reporting anticipated energy and greenhouse gas (GHG) emissions reductions of the project. For the purposes of this program, Applicants are not required to submit technical documentation, nor is an energy audit required as part of the application materials. If the Applicant is selected as an Apparently Successful Grantee, Commerce my request at the time of contract negotiation technical design documentation.
- 83. Q: The Q&A document routinely mentions that projects that maximize reductions in energy use and GHG emissions will be scored higher. However, Section 4.2 of the RFA only states "emissions reductions" will be evaluated. Can you confirm both energy use and emissions reductions will be evaluated, and if so, how will they be ranked/scored against each other?

  A: Yes, both greenhouse gas (GHG) emissions reductions and energy reductions will be evaluated. RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK states that the primary purpose of grants funded under this solicitation must be to "reduce energy use and greenhouse gas emissions". Application Question #3.02 asks Applicants to "attempt to quantify the energy and emissions reductions" from the project. Emissions reductions is the name of the scoring category, but it encompasses other program priorities and goals. Commerce may provide clarification as to meaning and other factors affecting scoring.
- 84. Q: Piggybacking on item #2, if working with a building owner that receives electricity from a clean energy source (such as SCL), the reduction in GHG emissions resulting from the project will be much lower than if the building received electricity from a dirtier utility (such as PSE) even though the same units of energy are reduced. As currently written, the RFA will award more points to buildings simply based on their location and utility provider. Is this the intent? As an alternative, Commerce could allow all projects to utilize the emissions rate from the NWPP sub-region as identified on EPA's eGrid website which would level the playing field.

A: Please see the response to BELECTRIC Q&A Question 38, above. In order to align with state

emissions reduction mandates, Commerce is prioritizing projects that reduce greenhouse gas emissions (GHG) as demonstrated by measuring a cost per ton of GHG emissions reduction basis. While many Washington State utilities receive power from clean sources, projects can also reduce GHG emissions through the reduction or elimination of high global warming potential (GWP) refrigerants. The applicant has an opportunity in the application to provide GHG emissions reductions calculations for their proposed project. Commerce may provide clarification as to meaning and other factors affecting scoring.

- 85. Q: Section 3.02 of the application asks to describe how the project will reduce/eliminate the use of high GWP refrigerants; however, this is not mentioned within the RFA. For projects switching from electric resistance (no refrigerants) to heat pumps, the quantity of refrigerant and therefore GWP will increase. Can you please elaborate how refrigerant GWP will impact the scoring, as well as how to maximize scoring if increasing the quantity of refrigerants?
  - A: Applicants are asked to provide the global warming potential (GWP) of refrigerants due to the associated greenhouse gas (GHG) emissions of refrigerants. Reducing the use of refrigerants is not a requirement of this program, but Applicants that demonstrate a reduction of high GWP refrigerants can also demonstrate GHG emissions reductions. Please note, Commerce is prioritizing project that reduce the maximum energy use and greenhouse gas (GHG) emissions, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
- 86. Q: Can you please provide examples of how a K-12 school district can achieve points for the "equity and energy burden reduction" scoring bin in Section 4.2 of the RFA? Regarding the energy burden, I'm having trouble understanding how this can be reduced for the students attending and/or staff working at the school since they do not directly pay the utility bills. Regarding the equity component, the application asks to quantify how the project reduces market barriers for priority communities, which again I'm having trouble understanding how a specific project can address this issue especially if the project is located in a low environmental health disparity and/or high median household income region.

A: Energy burden reduction can be demonstrated through direct reductions of energy bills or other initiatives that provide benefits to priority communities or organizations that serve priority communities that can be directly associated with energy cost savings from the electrification project. An example could be lower energy bills for a K-12 Public School in a Priority or highly impacted community. Projects do not need to serve Priority Communities, Tribal Communities, and Low-Income households, or be located in highly impacted communities. Projects do not need to reduce market barriers to make building electrification technology accessible. However, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation. Please refer RFA Section 4.2 EVALUATION BREAKDOWN for a further details on point distribution.

87. Q: We are looking at applying to the CEF on behalf of an affordable housing building that needs extensive electrification. It should qualify for a large match to reduce energy burden. However, since it has central gas heat and hot water we do not know how to calculate energy burden since the individual units do not pay for gas. Can we use the total income of the building residents and the total cost of

#### energy?

**A:** Yes, the total income of the building residents and the total cost of energy may be used to calculate energy burden reduction.

# Week 6: Questions received through 11/25/2022

88. Q: Is there a maximum or suggested percentage for program administration costs for program administrators under Track 2?

A: While Commerce does not specify a maximum or suggested percentage for program administration costs, Applicants should attempt to dedicate the maximum total project costs to equipment and systems installed as part of the minimum scope of work for a Track 1 or Track 2 project. If the Applicant is selected as an Apparent Successful Grantee, Commerce will work with the Applicant during contract negotiation to determine an adequate percentage for program administration costs.

- 89. Q: We are a licensed outpatient mental health center serving only individuals who receive Medicaid (low income households/families). Would we qualify for the 1:10 MATCH requirement since we are an organization or businesses serving the aforementioned population?
  - **A:** Yes, if at least 75 percent of total project costs are dedicated to an organization or business serving Priority Communities, low-income/affordable housing, or Low-Income Households, the project would be eligible to qualify for the 1:10 Minimum Match Ratio.
- 90. Q: Is outside lighting (lighting attached to the exterior of buildings/near buildings) fundable under this grant? Or is only indoor lighting fundable as the RFA states "equipment or systems in existing buildings?"
  - A: Yes, exterior lighting on the project building(s), including attached exterior lighting and lighting in the immediate vicinity of the building(s), is an eligible, reimbursable expenses as long as it is installed as part of the minimum scope of work for a Track 1 or Track 2 project.
- 91. Q: We are unsure if we meet the minimum qualifications to apply for the program. According to Section 1.3 Minimum Requirements: "A new building is defined as a building or facility authorized to be built by the permitting jurisdiction by the application deadline." We are in the process of constructing a new community center. Our Master Use Permit/Land Use permit has been approved. We are in the process of submitting the building permit by the end of the year and anticipate its approval in Q2 2023. We've received the Land Use permit approval before the deadline. Are we eligible?
  - A: Please see the response to BELECTRIC Q&A Question 18, above. If the building or facility is authorized to be built by the Master Use Permit/Land Use permit from the permitting jurisdiction, and the Master Use Permit/Land Use permit is approved by the application deadline, then the project would likely be eligible according to Section 1.3 MINIMUM REQUIREMENTS. If, in addition to the Master Use Permit/Land Use Permit, a building permit from the permitting jurisdiction is required to authorize the construction of the building or facility, and the building permit would not be approved by the application deadline, then the project would be ineligible.

# Week 7: Questions received through 12/02/2022

- 92. Q: I was hoping to get information in regards to the minimum SEER or EER or COP value or improvements to qualify.
  - A: For the purpose of this program there are no minimum SEER, EER, or COP values that installed equipment and systems must meet. If the project proposes to replace or reduce the use of inefficient electric equipment or systems, there must be demonstrable efficiency gain from the old equipment to the new equipment for the old equipment to be considered inefficient. Please note, Commerce is prioritizing projects that reduce the maximum energy use and greenhouse gas (GHG) emissions, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
- 93. Q: Are we allowed to insert a signed letter from our partners at the local high school who have developed a new "Trades" training program? The goal of the program is to provide training so that local youth can obtain better employment after graduation from high school. The letter would document commitment from the partner.
  - A: Applicants may include a letter from a workforce development partner as a Partner Letter of Support attachment. Please see RFA Section 3 APPLICATION INSTRUCTIONS AND CONTENT for a description of all mandatory and optional attachments. Applicants still must describe in Question #4.01 how the project provides workforce development opportunities during and after the deployment of the project, even if providing a letter of support from a workforce development partner.
- 94. Q: If we are successfully awarded a contract that includes upgrading the insulation for an old building, and if after the contract is signed, we discover a more efficient way to insulate to improve the results, can we modify the insulating materials and how they are applied? The intent is to exceed the performance of the upgrade initially proposed.
  - A: Eligible applicants do not need to have all the technical parameters of the project finalized by the application deadline. If the applicant is chosen as an Apparent Successful Grantee, and at the time of contract negotiation it is determined that the scope of work for the project would significantly differ from the application, Commerce may rescore the application based on the new information, which may result in a change to the award amount or match requirements for the project. If the applicant is chosen as an Apparent Successful Grantee, and successfully enters into a contract with Commerce, the Apparent Successful Grantee has the opportunity to propose amendments to the contract. Amendments to the contract shall be at the sole discretion of Commerce.
- 95. Q: Are residential electrification programs that incentivize homeowners to upgrade to heat pumps (as an example) eligible? The program would be run by local governments and would offset costs for interested low income community members and affordable housing properties.
  - A: As stated in RFA Section 1.3 MINIMUM QUALIFICATIONS, projects must be located at, and include at least 50 percent of total units or gross square footage of, one or more new or existing buildings, or must administer a program that service multiple retail electric utility customers in Washington State by funding work at one or more new or existing buildings. New or existing buildings may include single-family, multifamily, or commercial buildings. Programs must fund work that meets the minimum scope of work for a Track 1 or Track 2 project.

96. Q: Do we qualify if we locate the electric boiler at the central steam generating station, physically commingle electric boiler steam with gas boiler steam, and the steam lines distribute steam to our 125+ customers?

A: Please see the response to BELECTRIC Q&A Question 21, above. Projects that install a central system or district energy systems would be eligible, as long as they meet the minimum scope of work for a Track 1 or Track 2 project, and are serving eligible building types. Fossil fuel equipment and systems are ineligible expenses under both Tracks of this program. Please refer to RFA Sections 1.2 and 1.3.

97. Q: I have three multifamily buildings in Snohomish County with long term renters. One of the buildings is a fourplex and I installed gas appliances because it was cost prohibitive to upgrade all of the electrical panels. I would love to eventually upgrade the electrical panels so I can remove the gas appliances and replace them with electric. The second project that I am interested in for another building is the possibility of adding solar panels. Please let me know if either of these projects would qualify and if so, I will start the application process.

A: Track 2 projects must at a minimum install high-efficiency electric heat pumps or other electric equipment to replace or reduce the use of existing fossil fuel, or inefficient electric, equipment or systems. Examples of eligible, reimbursable expenditures include electrical upgrades required for the installation of electric equipment, as long as they meet the minimum scope of work for a Track 2 project. Please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK for further information. Please see the responses to BELECTRIC Q&A 1, above. Grant funds may be used for on-site solar energy systems and components, but they must be installed as part of the minimum scope of work for a Track 1 or Track 2 project. Please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK for further information.

98. Q: I have multiple multi-family buildings and I am considering building electrification projects at each building. Do I need to submit multiple applications (one for each building/property) or can I list all of the buildings on one application?

**A:** Eligible Applicants do not need to submit an application for each building/property. All buildings/properties owned or leased by the Eligible Applicant where work will be performed should be listed on one application form.

99. Q: Regarding item 1.13 – Do Healthcare related contracts apply? Or only energy conservation contracts?

**A:** Please see the response to BELECTRIC Q&A 80, above. The Applicant must list if they or any subcontractors on the project have contracted with the State of Washington during the last 24 months, regardless of the type of contract.

Clarification Issued 12/20/2022: Applicants must only list contracts with the State of Washington that the entire Applicant organization, or subcontractor organization, has entered into with the State of Washington. Applicants should as much as possible focus on contracts with Commerce or with a direct connection to Commerce with special attention to any contracts with Commerce's Energy Division. The Applicant needs to report contracts with the State of Washington held by individual Applicant or subcontractor staff if those staff are immediately involved in the project team, or have decision making ability for the project, or the contracts are with Commerce.

- 100.Q: Regarding item 1.14 Do staff affiliated with University of Washington count towards this question? A: Yes, staff employed at the University of Washington are considered employees of the State of Washington, and the individual(s) name(s), agency previously or currently employed by, job title or position held, and separation date must be provided in Question #1.14.
  Clarification Issued 12/20/2022: The Applicant must provide the information requested in Question #1.14 for those staff or subcontractor's staff that are on the immediate project team, or would have decision making ability for the project being proposed for this funding. If possible, please mention staff two levels above the immediate project team. Applicants should as much as possible identify staff on the immediate project team, or with decision making ability for the project that have a direct connection to Commerce. If the Applicant is partnered or has an affiliation with a State Agency, including public institutions of higher education, the Applicant may indicate in Question #1.14 the nature of their partnership or affiliation.
- 101.Q: Regarding the low income weatherization program provider letter of support Does this apply only to certain types of buildings? Our application is for a laboratory/research building. Is there a list of approved providers for this program? If not, how do we determine who is an approved provider?

  A: The Low Income Weatherization Provider Letter of Support is an optional attachment if the project is working with low-income/affordable housing. Applicants with projects that do not address low-income/affordable housing may still submit a Low Income Weatherization Provider Letter of Support. Applicants can determine their Local Weatherization Agency through the Washington State Department of Commerce's Weatherization Programs webpage.

## Week 8: Questions received through 12/09/2022

- 102.Q: Insulating the roof is easy, but are we required to meet a specific R- rating for insulating the exterior walls of a 50+ year-old building? If not, is a specific improvement in current versus post-insulation R value advised?
  - A: For the purpose of this program there is no minimum R-value that projects must achieve if installing insulation. Please note, projects may install other measures to reduce energy (i.e. insulation), as long as they are installed as part of the minimum scope of work for a Track 1 or Track 2 project. Furthermore, Commerce is prioritizing projects that reduce the maximum energy use and greenhouse gas (GHG) emissions, applications that demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
- 103.Q: For program administrators applying under the track 2 program, I see that the administrator must serve "multiple electric utility customers in Washington." I believe this means that the program administrator must provide services to multiple entities that receive retail electricity within the state, NOT that the program administrator must itself operate an electric utility itself that sells retail electricity to multiple entities. Is this a correct interpretation?
  - A: If the Applicant is an entity other than a Retail Electric Utility and is applying as a Program Administrator, the Applicant does not need to operate a retail electric utility. RFA Section 1.3 MINIMUM QUALIFICATIONS states that a Program Administrator must serve multiple retail electric utility customers in Washington, and must be a Non-Profit Organization, Local Government, Federally Recognized Tribal Government, Housing Authorities, or Retail Electric Utility.

- 104.Q: Please explain how Commerce will award Track Two projects if the amount of remaining grant funds is insufficient to cover the full requested grant amount as listed on item #2.07 on application form. For example, let's assume Commerce has already awarded \$4 million of the available \$4.85 million to Track Two Projects #1 thru #4 (top four highest scored projects) so there's only \$0.85 million remaining, and that Project #5 is requesting \$1 million and Project #6 is only requesting \$0.5 million. Will Project #5 be awarded a partial grant request (i.e., awarded the remaining available funds of \$0.85 million of the \$1 million request), or will Project #6 be awarded instead since Project #5 requested more grant dollars than the remaining available funds?
  - A: If the grant funds initially reserved for awards for Track 2 projects is insufficient to fund all of the recommended projects, Commerce may use funds initially reserved for awards for Track 1. RFA Section 1.4 FUNDING states that if funding initially reserved for one Track remains after all projects recommended by a majority of reviewers in the same Track have been awarded funding, Commerce may choose to allocate that funding to any remaining applications from the other Track. If the combined remaining grant funds are insufficient to fund all of the recommended projects, Commerce may make partial awards based on scoring in the application evaluation.
- 105.Q: If example projects A and B are scored with the exact same number of points per Section 4.2, but project A grant request is only 50% to that of project B, are there any circumstances that will result in a grant award for project A but not project B? Or will both projects be equally awarded (regardless of grant request) since they were equally scored?
  - A: Commerce intends to award as many eligible contracts as funding allows. Where applications receive the same scoring in the application evaluation, Commerce may make partial awards based on how the applications demonstrate they meet the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK.
- 106.Q: As long as a project stays within the match ratio requirements from the table in Section 4.1, is there any reason not to request the maximum grant award of \$1 million?
  - A: Commerce is unable to provide guidance to potential Applicants on the amount of funding to request. Applications will be considered responsive if the funding request is between the minimum award amount of \$50,000 and the maximum award amount of \$1,000,000, and the Applicant demonstrates they meet the minimum match requirements in RFA Section 1.4 FUNDING.
- 107.Q: We are a local government, working with other local governments, in the process of developing collaborative heat pump installation programs. Would the local governments be able to apply as a group for funding, or would the local governments have to apply individually for funding?
  A: A single eligible Applicant may apply on behalf of a group of eligible Applicants. The application must detail and demonstrate the partnership between the eligible Applicants in the group. If the application is recommended for funding, then the Applicant that submitted the application would be considered the Apparent Successful Grantee and serve as the primary point of contact for any contract entered into with Commerce. Commerce may rescore the application if it is determined at the time of contract negotiation that the scope of work for the project would significantly differ from the application, which may result in a change to the award amount or match requirements

108.Q: This grant notes that funding awards can go to single-family homes. Do the specific single-family homes have to be identified at the time of application (or have to be identified in the process of contract negotiation), or can those homes be identified after contract execution – i.e., can the homes be identified in the course of expending awarded funds?

A: If Applicants have identified the buildings where work will be performed, the Applicant should provide the address of each of the buildings in Question #2.04. If Applicants have not identified the specific buildings, for example an Applicant submitting an application proposing to administer a program serving multiple retail electric utility customers, the Applicant only needs to provide the geographic area where the program will primarily perform work in Question #2.04.

109.Q: I have a question on the Track 2 application, namely 1.13: "if the applicant or any subcontractor contracted with the State of WA within the past 24 months...". Would this include funding received from the SHIP grant out of the Dept. of Health?

**A:** Please see the response to BELECTRIC Q&A 80, above. The Applicant must list if they or any subcontractors on the project have contracted with the State of Washington during the last 24 months, regardless of the type of contract.

110.Q: The Equity and Energy Burden Reduction in the points breakdown is worth up to 120 points. Are each of the Priority Communities categories (i.e. environmental disparity, income, rural) each worth 40 points?

A: Application scoring is based on how Applicants demonstrate the project meets the minimum scope of work and the policy priorities in RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK. Please see RFA Section 4.2 EVALUATION BREAKDOWN for a list of the application components that are scored for each scoring category, and RFA Section 3 APPLICATION INSTRUCTIONS AND CONTENT for a description of the information that Applicants must submit for each application component.

111.Q: Can the same project apply under both the Track 1 and Track 2 options?

A: Yes, an Applicant may submit one application for a Track 1 project and one application for a Track 2 project located at the same building(s), but an Applicant may submit no more than one application for a Track 1 project and one application for a Track 2 project.

112.Q: Does installing solar and/or a microgrid qualify under Track 1 as grid-interactive?

A: Solar and microgrid technology may qualify as long as it is installed as part of the minimum scope of work for a Track 1 project. Please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK for further information.

113.Q: When looking at the area median income under the Lower Income Communities criteria, does the 5year estimate data need to be based off 2021 or 2020?

A: Median Household Income must be based off of the U.S. Census Bureau's American Community Survey (ACS) 2020 5-Year Estimates for the city(ies) or town(s) where the project is located. Please see RFA Exhibit D PROJECT INFORMATION SHEET for instructions on collecting Median Income data for the project site(s).

114.Q: When looking at the area median income under the Lower Income Communities criteria, what is the state median income value we should be comparing against (for the Commerce Solar RFA it was equivalent to \$59,020)?

A: The Median Household Income must be based off of the U.S. Census Bureau's American Community Survey (ACS) 2020 5-Year Estimates for Washington State. Please see RFA Exhibit D PROJECT INFORMATION SHEET for instructions on collecting Median Income data for the project site(s).

## Week 9: Questions received through 12/19/2022

115.Q: Could you please send me any addendums or Q&A published for this RFA?

A: As of the posting of this update to the CEF BELECTRIC 2022 Q&A (December 20, 2022), Commerce has made no addendums to the RFA. The publicly available Q&A document is available on the Building Electrification Program webpage: <a href="https://www.commerce.wa.gov/growing-the-economy/energy/clean-energy-fund/building-electrification-grant/">https://www.commerce.wa.gov/growing-the-economy/energy/clean-energy-fund/building-electrification-grant/</a>.

- 116.Q: Under Track 2, is it acceptable to request funds for building envelope improvements if electric equipment has already been replaced/upgraded in the building? Or does the electrical equipment and envelope improvements have to be done together under the grant? This would be for a multi-family rental property serving low-income tenants.
  A: RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK states that projects funded under Track 2, must at a minimum install high-efficiency electric heat pumps or other electric equipment. Projects may install other measures to reduce energy use to accompany high efficiency electric heat pumps or other electric equipment or systems installed as part of the minimum scope of work for a Track 2 project.
  117.Q: On behalf of the \_\_\_\_\_\_\_ of \_\_\_\_\_\_\_, we are requesting an extension of the deadline by 60-days for accepting applications for the Building Electrification Grants.
  A: Commerce does not currently anticipate extending the deadline listed in RFA Section 2.2 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES. However, as stated in the RFA, COMMERCE reserves the right to revise the estimated schedule of procurement activities.
- 118.Q: \_\_\_\_\_\_\_ is supporting the Tribe by providing technical assistance and grant application support. I'm wondering if there are any minimum age requirements for inefficient equipment (or minimum age for buildings) seeking funding under track 2 of the CEF building electrification program.

  A: For the purpose of this program there are no minimum age requirements for inefficient electric equipment or minimum age for buildings. If the project proposes to replace or reduce the use of inefficient electric equipment or systems, there must be demonstrable efficiency gain from the old equipment to the new equipment for the old equipment to be considered inefficient. Please note, Commerce is prioritizing projects that reduce the maximum energy use and greenhouse gas (GHG) emissions, applications that demonstrate they meet the policy priorities in RFA Section 1.2

  OBJECTIVES AND SCOPE OF WORK may score higher in the application evaluation.
- 119.Q: For projects depending on federal ITC funds as matching funds, are they automatically disqualified because they will not secure match funding before the WA Commerce grant contract is executed?
   A: For the purposes of this program, eligible Applicants must provide cash match. Applicants must demonstrate on their application that they have minimum match funding from other, non-state sources

for eligible project costs as required in RFA Section 1.4 FUNDING. Applicants failing to demonstrate in their application that they have minimum matching funds may be considered non-responsive and not evaluated. If the Applicant is selected as an Apparent Successful Grantee, and during contract negotiations it is determined that the Applicant would not secure the minimum match amount by the beginning of the period of performance, Commerce will adjust the award to meet the minimum match requirements.

- 120.Q: Can you clarify if air source heat pumps with natural gas auxiliary heat are eligible for this grant program? We are looking to replace existing gas pack roof top units at a large building with air source heat pumps. However we are not sure if the existing electrical service to the building can handle the increased demand. Using natural gas auxiliary heat would lower the peak demand of the new equipment, and natural gas use would be relatively low throughout the course of a year.

  A: Please see the response to BELECTRIC Q&A Question 78, above. Fossil fuel equipment and systems are ineligible expenses under both Tracks of this program. Please see RFA Section 1.2 OBJECTIVES AND SCOPE OF WORK for a description of eligible, reimbursable expenses.
- 121.Q: Where is the "Project Site Information Data Sheet Template" located?

  A: The Project Site Information Data Sheet template is available on the <a href="CEF Building Electrification">CEF Building Electrification</a>
  Program webpage under the heading "Program Documents".

CEF BELECTRIC 2022 Q&A ended 12/19/2022 per RFA Section 2.2 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES. No further questions can be answered following the Q&A end date.